

Notice of Allowability

Application No.

09/532,560

Applicant(s)

EVERSON ET AL.

Examiner

Art Unit

JAGDISH PATEL

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to amendment filed 10/13/04.
2. ☒ The allowed claim(s) is/are 1-3, 5 and 6.
3. ☒ The drawings filed on 17 April 2000 are accepted by the Examiner.
4. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some* c) ☐ None of the:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

* Certified copies not received: _____.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.

THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.

5. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
6. ☐ CORRECTED DRAWINGS (as "replacement sheets") must be submitted.
- (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review (PTO-948) attached
- 1) ☐ hereto or 2) ☐ to Paper No./Mail Date _____.
- (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date _____.
- Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
7. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

Attachment(s)

- | | |
|---|--|
| 1. <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 5. <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 2. <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 6. <input type="checkbox"/> Interview Summary (PTO-413),
Paper No./Mail Date _____. |
| 3. <input checked="" type="checkbox"/> Information Disclosure Statements (PTO-1449 or PTO/SB/08),
Paper No./Mail Date <u>1/20/04</u> | 7. <input checked="" type="checkbox"/> Examiner's Amendment/Comment |
| 4. <input type="checkbox"/> Examiner's Comment Regarding Requirement for Deposit
of Biological Material | 8. <input checked="" type="checkbox"/> Examiner's Statement of Reasons for Allowance |
| | 9. <input type="checkbox"/> Other _____. |

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DETAILED ACTION

1. This communication is in response to amendment filed 10/13/2004.

Response to Amendment

2. Claims 1 and 6 have been amended. Claims 1 and 6 have been further amended to positively recite the step of choosing optimal portfolio. Claim 4 has been canceled. (see Examiner's Amendment below.)

EXAMINER'S AMENDMENT

3. An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it MUST be submitted no later than the payment of the issue fee.

Authorization for this examiner's amendment was given in a telephone interview with Daniel H. Bliss (Reg. No. 32,398) on 10/25/04.

Please amend claims 1 and 6 as follows:

Claim 1: A computer implemented method of optimizing market and institutional risks in foreign currency exchange hedging, said method comprising the steps of:

providing a computer system;

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selecting a VaR (Value-at-Risk) calculator using the computer system;

determining an optimization procedure to be used with the computer system;

determining by the computer system an efficient frontier line on which optimal portfolios exist in two-dimensional space, using the VaR calculator and the optimization procedure;

selecting a range of the optimal portfolios with the computer system; and

choosing between the optimal portfolios in the range based on trade-offs between institutional risk and market risk of losses due to hedging.

Claim 6: A computer implemented method of optimizing market and institutional risks in foreign currency exchange hedging, said method comprising the steps of:

providing a computer system;

selecting a VaR calculator using the computer system;

determining an optimization procedure to be used with the computer system;

determining by the computer system an efficient frontier line on which optimal portfolios exist in two-dimensional space, using the VaR calculator and the optimization procedure;

selecting a range of the optimal portfolios with the computer system; and

choosing between the optimal portfolios in the range using management judgment between trade-offs in total portfolio risk and hedging risk.

Cancel claim 4.

Reasons for Allowance

4. The following is an examiner's statement of reasons for allowance:

The claimed invention pertains to optimization of market and institutional risk in portfolio hedging.

The following prior art references have been deemed most relevant to the allowed claim(s):

Scott et al. (US Pat. 6,292,787 and PGPUB 2003/0078867)
teaches a portfolio optimization process that diversifies model risk by favoring a more diversified portfolio over other portfolios with similar characteristics is described. The process involves determining an initial portfolio, performing diversification processing to identify one or more alternative portfolios having increased diversification, and selecting a recommended portfolio from the initial portfolio or the one or more alternative portfolios based upon a set of one or more criteria.

Peters (US PGPUB 2003/0088489) teaches a computer-implemented system and method that assists advisors in delivering personalized investment advisory services, including risk assessment, portfolio evaluation and portfolio construction, through an interface customized by the advisor to meet its particular market, product and client needs.

Garman (EP 0790568A1) discloses a system and method for determination of incremental value at risk for securities trading. A proposed trade is examined for its incremental impact on the VaR measure of the trading portfolio, without further reference to the existing portfolio held by an institution and without the need to re-determine the combined portfolio's VaR measure for each candidate trade.

Claims 1-3 and 5-6 are allowed because Scott et al., Peters and Garman references as discussed above as the Closest Prior art of record fails to teach or suggest a method of optimizing risk of losses due to hedging which comprises the steps of choosing between optimal portfolios in a selected range of the optimal portfolios based on trade-offs between institutional risk and market risk of losses due to hedging such that the optimal portfolios exists in two-dimensional space on an efficient frontier line which is determined using a

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preselected VaR calculator and a preselected an optimization procedure.

5. Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Conclusion

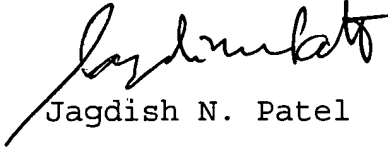
The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAGDISH PATEL whose telephone number is (571) 272-6748. The examiner can normally be reached on 800AM-600PM M-Th.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jagdish N. Patel

(Primary Examiner, AU 3624)

4/18/05